1	2	3	4
2. Mining & quarrying	3.7	2.3	0.09
3. Manufacturing	5.6	17.1	0.95
4. Electricity, gas & water supply	4.7	2.4	0.12
5. Construction	5.5	5.1	0.28
6. Trade, hotels transport & communications	6.9	22.3	1.51
7. Financing, insurance, real estate & business services	9.1	13.2	1.16
8. Community, social & personal services	7.8	13.5	1.04
9. GDP at factor cost	5.2	100.0	5.2

RE : Revised Estimates

UTI's decision in respect of US-64

270. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item appearing in the Economic Times dated 3rd July, 2001 captioned "Trust betrayed UTI suspends US-64 sale purchase, for six months, US-64 reserves might turn negative";

(b) if so, what are the details thereof and likely impact of UTI's unprecedented decision on 10 millions of investors; and

(c) what is the reaction of Government thereto indicating appropriate measure so far taken in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) Yes, Sir. The news item in the Economic Times refers to the declaration of dividend and the decision taken by UTI on July 02, 2001 to suspend sales and repurchases under US-64 for six months upto December, 2001.

(c) Keeping in view the interest of small investors, Government took the following steps:—

(i) The former Chairman of UTI was asked to step down on 3 July, 2001. A new Chairman was appointed on 14th July, 2001.

(ii) At Government's suggestion, IDBI has nominated Joint Secretary, Capital Markets Division, Ministry of Finance on the Board of Trustees of UTI;

(iii) Government held meetings with UTI officials. UTI decided on 15th July, 2001 to reopen limited repurchase facility for small investors from 1st August, 2001, details of which are provided in the Statement. (*See* below).

(iv) Government has constituted a three member High Level Committee to conduct an independent enquiry into, *inter-alia*, the investment decisions taken by UTI; and

(v) Separately, the Central Bureau of Investigation is investigating certain investment decision taken by the former Chairman, UTI and senior UTI officials.

Statement

Details of limited repurchase facilities for small investors of US-64

1. All unit-holders holding units as on 30th June, 2001 may offer for repurchase upto 3000 units per unit-holder at any time during the period from 1st August, 2001 to 31st May, 2003 at the price indicated hereunder or the NAV, whichever is higher.

Period 2001-2002	Amount (Rs.)
August '2001	10.00
September '01	10.10
October '01	10.20

Period 2001-2002	Amount (Rs.)
November '01	10.30
December '01	10.40
January, 2002	10.50
February '02	10.60
March '02	10.70
April '02	10.80
May '02	10.90
June 2002	Book Closure
2002-2003	
July, 2002	11.00
August '02	11.10
September '02	11.20
October '02	11.30
November '02	11.40
December, 2002	11.50
January, 2003	11.60
February '03	11.70
March '03	11.80
April '03	11.90
May '03	12.00
June, 2003	Book Closure

2. US-64 will fully reopen for fresh sales and repurchases at NAV based prices with effect from 1 January, 2002. Thereafter, for 3000 units per unit-holder covered under measures in paragraph 1 abvoe, the repurchase price would be the higher of the applicable repurchase price under paragraph 1 above or the then prevailing NAV based repurchase price. These 3000 units per unit-holder will also be entitled to dividend, as may be declared.

3. The deficit, if any, between the NAV and the applicable repurchase price under praragraph 1 above will be met and so funded that this will prevent any NAV dilution on account of the measures at paragraph 1 above.

4. Adequate liquidity arrangements have been made to ensure that

any funds needed for redemption will be available without UTI having to resort to large scale sale of its investments in the market.

Replacement of Banking Service Recruitment Board

271. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) the details of Banking Service Recruitment Boards presently functioning in the country (indicating *inter-alia* their location spheres of jurisdiction, number of persons working therein and expenditure involved thereon), which are likely to be wound up as per Finance Minister's Budget announcement;

(b) the details of alternative mechanism devised by Government for recruitment of personnel to man public sector banks; and

(c) whether Government have considered all pros and cons of alternative mechanism to ensure recruitment in all PSBs on professional basis and free from regionalism, corruption, cost-efficient *vis-a-vis* existing BSRB and as per UPSC norms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) At present there are 15 Banking Service Recruitment Boards (BSRBs) and one Central Recruitment Board of State Bank of India Group which conduct examinations in clerical cadre, Probationary Officers and Specialist Officers for recruitment in Public Sector Banks and Regional Rural Banks. A statement indicating the jurisdiction of BSRBs is enclosed. (*See* below). The number of persons employed in BSRBs are 184 and total expenditure involved is Rs. 26.64 lakhs per month.

(b) and (c) Various mechanisms are under consideration to replace the existing system of recruitment with a view to ensure fairness and transparency and also to be cost efficient.